

## Message Text

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ORIGIN NEA-10

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FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

INFO AMEMBASSY ISLAMABAD

AMEMBASSY COLOMBO

AMEMBASSY KATHMANDU

AMEMBASSY DACCA

UNCLAS STATE 143192

E.O. 11652: NA

TAGS:IN

SUBJECT: STATEMENT BY ASSISTANT SECRETARY ATHERTON ON  
INDO - U.S. RELATIONS

1. NEA ASSISTANT SECRETARY ALFRED ATHERTON DELIVERED THE FOLLOWING STATEMENT TO AMERICAN BUSINESSMEN AND U.S. AND INDIAN OFFICIALS ATTENDING THE INDIA - U.S. TRADE AND POLICY SEMINAR HELD IN THE DEPARTMENT JUNE 20. DEPARTMENT PRESS OFFICE HAS RELEASED THE TEXT.
2. BEGIN TEXT: "MR. CHAIRMAN - MEMBERS OF THE SEMINAR - UNCLASSIFIED

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I WANT TO WELCOME YOU TO THIS SEMINAR ON INDO - U.S. TRADE AND ECONOMIC COOPERATION, COSPONSORED BY THE INDIA - U.S. BUSINESS COUNCIL AND THE ECONOMIC/COMMERCIAL SUBCOMMISSION OF THE INDO - U.S. JOINT COMMISSION, AND HOSTED BY THE DEPARTMENT OF STATE.

3. IT IS IMPORTANT FOR GOVERNMENT AND BUSINESS TO MEET PERIODICALLY TO EXCHANGE IDEAS AND INFORMATION. THE ENVIRONMENT BEYOND OUR BORDERS IS MORE CHALLENGING AND COMPETITIVE THAN EVER BEFORE; TO USE PRESIDENT CARTER'S

WORDS, "THE WORLD TODAY IS IN THE MIDST OF THE MOST PROFOUND AND RAPID TRANSFORMATION IN ITS ENTIRE HISTORY." IT IS IN THE INTEREST OF BOTH GOVERNMENT AND BUSINESS THAT

THEIR REPRESENTATIVES HERE AND ABROAD BE ALERT AND WELL PREPARED, TO MAKE THE BEST OF OPPORTUNITIES. A FREE FLOW OF IDEAS AND INFORMATION BETWEEN US, BY MEANS OF SEMINARS SUCH AS THIS, CAN HELP ASSURE THIS RESULT.

4. WE ARE MEETING AT A TIME OF A RESURGENCE OF AMERICAN INTEREST IN INDIA. THE FACT THAT INDIA HAS SO DRAMATICALLY REAFFIRMED ITS ADHERENCE TO DEMOCRACY, AND THE HUMAN VALUES INHERENT IN THE DEMOCRATIC SYSTEM, IS A DEVELOPMENT OF MAJOR IMPORTANCE NOT ONLY FOR ASIA BUT FOR THE ENTIRE WORLD. PRIME MINISTER DESAI IS DEDICATED TO PROMOTING ENERGETICALLY THE POLITICAL RIGHTS AND DIGNITY OF THE INDIVIDUAL AND THE ECONOMIC AND SOCIAL PROGRESS THAT WILL MAKE THOSE RIGHTS SECURE.

5. EVENTS IN INDIA HAVE EVOKED ADMIRATION IN THE UNITED STATES FROM PRESIDENT CARTER TO THE CONGRESS, FROM THE AMERICAN MEDIA TO THE MAN-IN-THE-STREET. THE PRESIDENT, IN HIS SPEECH MAY 22 AT NOTRE DAME, SINGLED OUT INDIA  
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AS ONE OF "DEMOCRACY'S GREAT RECENT SUCCESSES." CONGRESSMAN DON FRASER AND FORTY-THREE OTHER MEMBERS OF THE HOUSE RECENTLY EXPRESSED THEIR PRAISE IN A LETTER TO THE PRESIDENT. IN RESPONDING, SECRETARY VANCE AFFIRMED THAT DEVELOPMENTS IN INDIA "DESERVE OUR WHOLEHEARTED SUPPORT."

6. WITH THE ASSUMPTION OF OFFICE BY THE CARTER AND DESAI GOVERNMENTS, THERE CLEARLY EXISTS AN UNUSUAL OPPORTUNITY TO STRENGTHEN BILATERAL RELATIONS. BUT WE NEED TO CONSIDER WHERE WE WANT TO GO IF WE ARE TO MAXIMIZE THE GAINS FROM THE PRESENT AUSPICIOUS CIRCUMSTANCES AND TO AVOID A REPETITION OF THE MISUNDERSTANDINGS THAT HAVE PLAGUED INDO-AMERICAN RELATIONS IN THE PAST.

7. BEFORE CONSIDERING THESE RELATIONS AT THE PRESENT STATE, LET US LOOK AT EVENTS IN SOUTH ASIA AS A WHOLE SINCE 1971, WHICH WAS IN MANY WAYS A WATERSHED YEAR IN THE REGION.

8. THE TREND IS TOWARD BETTER BILATERAL RELATIONS AND REGIONAL NORMALIZATION. THIS HAS REQUIRED HIGH POLITICAL COURAGE AND FORESIGHT, AND HAS DEMONSTRATED A REMARKABLE DEGREE OF FLEXIBILITY ON THE PART OF ALL THE REGION'S LEADERS. WE HAVE WELCOMED THESE EFFORTS. SOUTH ASIAN NATIONS, FOR THE FIRST TIME SINCE 1962, ALL ENJOY FULL AND NORMAL DIPLOMATIC RELATIONS WITH ONE ANOTHER. INDIA

AND PAKISTAN HAVE MADE IMPORTANT STRIDES IN IMPLEMENTING

THE PROCESS OF NORMALIZATION UNDER THE SIMLA AGREEMENT WHILE INDIA AND BANGLADESH HAVE TAKEN KEY INITIAL STEPS TOWARD RESOLVING THEIR DISPUTE OVER THE DIVISION OF THE GANGES' WATERS. POLITICAL PROBLEMS CONTINUE TO EXIST BUT THESE ARE BEING ADDRESSED BY THE NATIONS OF THE REGION DIRECTLY, WITHOUT OUTSIDE INTERVENTION.

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9. WHILE RECOGNIZING WE HAVE NO DIRECT ROLE TO PLAY, THE UNITED STATES BELIEVES THIS PROCESS OF REGIONAL ACCOMMODATION CONTRIBUTES SIGNIFICANTLY TO A MORE STABLE AND PROSPEROUS WORLD. WE ENCOURAGE IT, HAVE SUPPORTED IT WHERE POSSIBLE, AND HAVE BEEN CAREFUL TO DO NOTHING TO UPSET IT. WE SUPPORT THE INDEPENDENCE AND INTEGRITY OF ALL THE COUNTRIES OF SOUTH ASIA, HAVE DISCOURAGED OUTSIDE PRESSURES AND INVOLVEMENT, AND HAVE URGED THE COUNTRIES OF THE REGION TO RESOLVE BILATERAL DISPUTES AMONG THEMSELVES. WE HAVE HAD A POLICY OF RESTRAINT ON THE SALE OF MILITARY EQUIPMENT TO SOUTH ASIA FOR SOME YEARS. THIS IS REINFORCED BY THE CARTER ADMINISTRATION'S WORLD-WIDE POLICY OF ARMS-SALES RESTRAINT, AND WE BELIEVE THIS POLICY WELL SERVES OUR INTERESTS AND THOSE OF THE REGION.

10. IF THE TENSIONS WHICH HAVE CHARACTERIZED RELATIONS AMONG SOUTH ASIAN COUNTRIES CONTINUE TO DECREASE, WE HOPE THAT THESE COUNTRIES WILL SHIFT INCREASING RESOURCES TO DEVELOPMENTAL PURPOSES, TOWARD THE IMMENSE TASK OF BETTERING THE LOT OF THEIR PEOPLE. DESPITE ITS MANY PROBLEMS, THE AREA HAS THE POTENTIAL TO DEVELOP, TO BECOME SELF-SUFFICIENT IN FOOD PRODUCTION AND TO SATISFY THE BASIC NEEDS OF ITS PEOPLES. OUR PARTICIPATION IN MULTILATERAL DEVELOPMENT ASSISTANCE, AND OUR BILATERAL ASSISTANCE AND FOOD AID TO THE AREA SUPPORT THESE GOALS. WE ALSO WANT TO EXPAND MUTUALLY BENEFICIAL TRADE AND COMMERCIAL TIES.

11. THE COUNTRIES OF SOUTH ASIA HAVE BECOME INCREASINGLY ACTIVE IN INTERNATIONAL FORUMS, WHERE MANY OF THE MORE BASIC ECONOMIC ISSUES CONFRONTING THE WORLD ARE BEING ADDRESSED, AND THIS HAS ADDED AN IMPORTANT NEW DIMENSION TO OUR RELATIONS WITH THEM. THE REGION'S STATES ARE UNCLASSIFIED

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IMPORTANT IN THE GROUP OF 77, THE NON-ALIGNED CONFERENCE, THE NORTH-SOUTH DIALOGUE INCLUDING THE CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION (CIEC), AND IN MANY OTHER INTERNATIONAL FORUMS.

12. BILATERALLY, INDO - U.S. RELATIONS HAVE GRADUALLY IMPROVED IN TANDEM WITH THE PROCESS OF NORMALIZATION IN

SOUTH ASIA. IN 1974 OUR TWO GOVERNMENTS DECIDED TO INSTITUTIONALIZE SOME OF THE GAINS BY ESTABLISHING A JOINT COMMISSION WITH THREE SUBCOMMISSIONS - ON ECONOMICS AND COMMERCE, EDUCATION AND CULTURE, SCIENCE AND TECHNOLOGY. IN 1975, THE INITIAL COMMISSION MEETING WAS HELD IN WASHINGTON, PRESIDED OVER BY THE INDIAN FOREIGN MINISTER AND THE SECRETARY OF STATE. THE THREE SUB-COMMISSIONS HAVE BEEN MEETING REGULARLY SINCE 1974 AND HAVE SPONSORED A VARIETY OF WORTHWHILE ACTIVITIES AND PROGRAMS SUCH AS THIS MEETING. WE LOOK FORWARD TO THE SECOND COMMISSION MEETING IN INDIA LATER THIS YEAR.

13. BUT MORE IMPORTANT, THE PAST FEW YEARS HAVE WITNESSED A GROWING REALIZATION IN BOTH INDIA AND THE UNITED STATES THAT OUR SHARED INTEREST IN SOLVING THE GLOBAL PROBLEMS OF TODAY HAS LARGEY OVERTAKEN THE ISSUES WHICH HISTORICALLY HAVE DIVIDED US, PRINCIPALLY INDIAN DOUBTS ABOUT THE OBJECTIVES OF U.S. SOUTH ASIA POLICY, EXPECIALLY OUR ARMS TRANSFER POLICIES TOWARD THE REGION, AND AMERICAN PREOCCUPATION WITH INDIAN ATTITUDES ON EAST/WEST ISSUES. WE SHARE TODAY A COMMON DESIRE TO STRENGTHEN THE FORCES FOR HUMAN DIGNITY, ECONOMIC AND SOCIAL JUSTICE, AND STABILITY IN THE WORLD.

14. LET ME NOW TURN BRIEFLY TO THIS ADMINISTRATION'S APPROACH TO U.S. - INDIAN RELATIONS. OUR NEW AMBASSADOR TO INDIA, BOB GOHEEN, THE FORMER PRESIDENT OF PRINCETON UNIVERSITY, ARRIVED IN DELHI MAY 21. HE HAS BEEN IN- UNCLASSIFIED

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TIMATELY INVOLVED IN INDIA ALL HIS LIFE AND IS ALREADY WORKING TO STRENGTHEN MUTUAL TRUST BETWEEN THE TOP LEVELS OF OUR GOVERNMENTS.

15. SECRETARY VANCE MET WITH INDIAN FOREIGN MINISTER VAJPAYEE IN PARIS MAY 31 AND HOPES TO VISIT INDIA LATER IN THE YEAR IN CONNECTION WITH THE NEXT JOINT COMMISSION MEETING. AMBASSADOR RICHARDSON, WHO HEADS OUR LAW OF THE SEA DELEGATION, WAS IN NEW DELHI IN EARLY MAY, AND WE WERE PLEASED TO MEET WITH THE NEW INDIAN FINANCE AND LAW MINISTERS IN WASHINGTON IN MORE RECENT WEEKS.

16. AS YOU KNOW, THE PRESIDENT HIMSELF HAS A DEEP INTEREST IN INDIA AND IN IMPROVING RELATIONS. HIS MOTHER SERVED AS A PEACE CORPS VOLUNTEER IN THE BOMBAY AREA IN 1967-68, AND ONE OF HIS EARLY ACTIONS WAS TO SEND HER AND HIS SON CHIP CARTER TO REPRESENT THE AMERICAN PEOPLE AT THE FUNERAL OF THE LATE INDIAN PRESIDENT. BOTH PRESIDENT

CARTER AND PRIME MINISTER DESAI ARE COMMITTED TO A FOREIGN POLICY WHICH REFLECTS HUMANE, DEMOCRATIC VALUES. BOTH SHARE A DEEP CONCERN ABOUT PROGRESS TOWARD ACHIEVING DISARMAMENT, AND ABOUT RESOLVING THE PROBLEM OF NUCLEAR PROLIFERATION. BOTH ARE DEEPLY INTERESTED IN FINDING SOLUTIONS TO THE FOOD, POPULATION, AND ECONOMIC PROBLEMS OF THE DEVELOPING COUNTRIES. THAT OUR TWO LEADERS SHARE SIMILAR GOALS ON THESE SUBJECTS, WHICH SURELY ARE AT THE VERY TOP OF THE GLOBAL AGENDA FOR THE BALANCE OF THIS CENTURY, AUGURS WELL FOR BILATERAL RELATIONS AND THE CAUSE OF PEACE ITSELF.

17. I DO NOT WANT TO LEAVE YOU WITH THE IMPRESSION THAT ALL PROBLEMS IN INDO-U.S. RELATIONS WILL MELT AWAY WITH UNCLASSIFIED

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THE POLITICAL CHANGES WHICH HAVE TAKEN PLACE. TWO COUNTRIES AS LARGE AND DIVERSE AS INDIA AND THE UNITED STATES, SO DIFFERENTLY PLACED GEOGRAPHICALLY AND ECONOMICALLY, AND ENJOYING SUCH DIFFERENT CULTURAL TRADITIONS, WILL NOT SEE EYE-TO-EYE ON EVERY ISSUE EVEN IF WE ARE BOTH DEMOCRACIES. HOWEVER, I THINK WE CAN APPROACH ISSUES FROM A BASIS OF SHARED INTERESTS AND VALUES THAT HAS NOT ALWAYS EXISTED IN EARLIER YEARS. A FRAMEWORK OF GROWING MUTUAL TRUST AND CONFIDENCE SHOULD ENABLE US TO ADDRESS AND RESOLVE SPECIFIC DIFFERENCES AS THEY ARISE, AND TO FIND GROWING AREAS OF COOPERATION ON THE GLOBAL SCENE.

18. THE EXTENT WE SUCCEED IN CEMENTING STRONGER TIES WITH INDIA DEPENDS ONLY IN PART, OF COURSE, ON OUR GOVERNMENTS. THE DECISIONS AND ACTIONS OF PRIVATE PERSONS AND COMPANIES, BUSINESSMEN AS YOURSELF, SCIENTISTS, SCHOLARS, AND OTHERS, CAN GREATLY AFFECT THE SHAPE OF RELATIONS BETWEEN TWO OPEN SOCIETIES LIKE INDIA AND THE UNITED STATES. IMPORTANT AS GOOD DIPLOMATIC RELATIONS ARE, THE ESSENCE OF SOUND STATE-TO-STATE RELATIONS ALSO RESTS ON HEALTHY AND VIGOROUS CULTURAL, COMMERCIAL AND OTHER MUTUALLY BENEFICIAL TIES.

19. THE STAGE IS SET FOR CONSOLIDATING COOPERATIVE AND FRIENDLY U.S.-INDIAN RELATIONS. THIS WILL NOT BE ACHIEVED BY RHETORIC OR OVERNIGHT. HOWEVER, AS YOU BEGIN YOUR CONSIDERATION OF THE TRADE ISSUES, I HOPE YOU WILL DRAW ENCOURAGEMENT FROM THE KNOWLEDGE THAT YOUR GOVERNMENT IS DETERMINED TO DO ALL IT CAN TO STRENGTHEN THE AUSPICIOUS FRAMEWORK WITHIN WHICH YOUR EFFORTS WILL GO FORWARD." END TEXT. VANCE

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## Message Attributes

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